# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:2683
ANSWERED ON:16.03.2007
PERFORMANCE OF BANKS
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**Will the Minister of FINANCE be pleased to state:**

(a) whether the Reserve Bank of India (RBI) has reviewed the performance of all commercial banks;

(b) if so, the details thereof and the action taken thereon;

(c) whether RBI has directed the banks to report individual profit and loss for various business segments;

(d) if so, the details thereof;

(e) the reasons for issuing such directives; and

(f) the extent to which such directives are likely to bring transparency in banks?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PA WAN KUMAR BANSAL)

(a) & (b) : In accordance with Section 36(2) of Banking Regulation Act, 1949, Reserve Bank of India (RBI) prepares and submits to the Central Government an annual report on the Trend and Progress of Banking in India`, which covers, inter-alia, a comprehensive review of the performance of the banking system during the year. RBI has published the report for 2005-06 and has placed the same in public domain on its website www.rbi.ora.in.

(c) to (f) : To ensure greater disclosures for enhanced transparency in accordance with Accounting Standards(AS) - 17 under segment reporting, RBI has issued draft guidelines to all scheduled commercial banks (excluding RRBs) revising its previous circular issued in March, 2003, recategorising various business segments for reporting purpose. In the draft guidelines, the segment `Other Banking Business` has been divided into three segments viz. Corporate / Wholesale Banking, Retail Banking and Other Banking Operations, and thus increasing the number of segments from three to five.